

# **Kentucky Agricultural Development Board**

## **Meeting Minutes**

**April 20, 2001**

**The Kentucky Agricultural Development Board met on Friday, April 20, 2001 at 9:00 a.m., in the South Wing Board Room of the Kentucky Fair and Exposition Center. Governor Patton, Chairman, called the meeting to order, and the secretary called the roll.**

### **Members Present:**

Governor Paul E. Patton, Chairman; Commissioner Billy Ray Smith, Vice Chairman; John-Mark Hack, Executive Director; Daniel Case; Larry Clay; Susan Harkins; Wayne Hunt; Sam Moore; Willa Poynter; Mike Slaughter; Dean Scott Smith; and Smith Mitchell representing Secretary Gene Strong.

### **Members Absent:**

Seth Conner; Sam Lawson; and Eddie Sellers.

### **Others Present:**

Sharon Burton, The Farmer's Pride; Biff Baker, Sharon Cantrell, Scott Jennings, Steve Mason, and Dan Risch, Legislative Research Commission; Jon Goldberg, Goldberg & Simpson; John Stevenson, Kentucky Cattlemen's Association; Sara Dryden, Burley Tobacco Growers Coop; Sean M. Cutter, McBrayer McGinnis Leslie & Kirkland; Jack Kimbrough, Shelby County Cattlemen's Association; Dennis Chancellor, West Central Coop; Gordon Duke, Edith Fultz, Sandra Gardner, Ben Gramig, DeVon Hankins, Jeff Harper, Hampton 'Hoppy' Henton, Rhodes Johnston, Bill McCloskey, Joel Neaveill, Lisa Thomas, and Tim Woods, Governor's Office of Agricultural Policy.

### **Minutes of March 16, 2001 Meeting:**

The minutes of the March 16, meeting, were approved as written.

### **Welcoming Remarks:**

Governor Patton welcomed Board members and guests to the meeting.

### **Executive Director's Report:**

Executive Director John-Mark Hack reviewed the day's agenda.

Director Hack briefed the members on staff activities since the last meeting of the Board. He advised that staff had spent numerous hours attending meetings with County Agricultural Development Council members, project applicants, commodity groups, an agricultural finance corporation, the Kentucky Banker's Association, and the Kentucky Housing Corporation. The topics of the meetings included answering County Council members' questions and concerns, discussing terms of approved projects, potential statewide programs, value-added processing and marketing of Kentucky products, attracting value added processors, ways to strengthen lending to the agricultural community, and ways to meet the housing needs of tenant farmers and migrant workers.

On April 4, the Governor's Office of Agricultural Policy coordinated the first Farm Family Education Summit sponsored by the Governor's Commission on Family Farms. This group began the process of identifying the educational needs of the state's family farmers and our current abilities to meet those needs. The results of this meeting will be of direct relevance to the work of the ADB and County Agricultural Development Councils in further developing the diversification of Kentucky's agricultural economy.

Mr. Hack updated the board on the long-term development plan. He advised that he continues to work with Dr. Ray Goldberg in the process of identifying individuals to participate in a planning think tank to ponder the future of Kentucky agriculture and outline a plan for the utilization of the Agricultural Development Fund. Director Hack will be traveling to Boston to meet with Dr. Goldberg on Wednesday and Thursday of the coming week to finalize the list of participants and submit the list to the Governor for approval. Board members asked to be advised of the approved list of participants. Director Hack stated that board members would be advised.

The Director advised that the ethics code document was submitted to the Executive Branch Ethics Commission, but no response has been received.

### **Referral of Project Proposals:**

John-Mark Hack recommended that the board refer projects numbered 152 – 204 to the Project Review Committee for review and recommendation.

Willa Poynter moved with a second from Mike Slaughter to refer all new projects to the Project Review Committee. The motion passed by voice vote.

### **Project Review Committee Report:**

Susan Harkins presented the committee report. She advised that the committee met on April 16 and recommended the following projects be approved for funding:

Project #22 Evans Orchard: Approved for \$122,923 from state funds. Wayne Hunt moved with a second from Dean Smith that the Board adopt the committee's recommendation. The motion passed without objection.

Project #71 Jackson's Orchard and Nursery: Approved for \$89,500 from state funds: Wayne moved with a second from Smith Mitchell that the Board adopt the committee's recommendation. The motion passed without objection.

Project #87 Purchase Area Aquaculture Coop: Approved for \$381,000 from state funds. Susan Harkins moved with a second from Commissioner Smith that the Board adopt the committee's recommendation. The motion passed without objection.

Project #13 Grain Day (Daviess County): Approved for \$10,000 from the county fund. There was discussion on this project. Governor Patton advised that he was supportive of funding of this project with reluctance because of its indirect connection to improving the net farm income of Kentucky farmers. Susan Harkins moved with a second from Sam Moore that the Board adopt the committee's recommendation. The motion passed without objection.

Project #45 Monroe County High School Ag Department: Approved for \$68,950 (includes \$35,000 previously approved by the Agricultural Development Board) from the county fund. Susan Harkins moved with a second from Willa Poynter that the Board adopt the committee's recommendation. The motion passed without objection.

Project #126 Allen County Bee Keepers Association: Approved for \$4,000 from the county fund. Susan Harkins moved with a second from Commissioner Smith that the Board adopt the committee's recommendation. The motion passed without objection.

Project #128 Madison County Farm Bureau Federation: Approved for \$37,000 from the county fund. Susan Harkins moved with a second from Mike Slaughter that the Board adopt the committee's recommendation. The motion passed without objection.

Project #135 Taylor County Board of Education Agriculture Department: Approved for \$26,000 from county funds. Susan Harkins moved with a second from Dean Smith that the Board adopt the committee's recommendation. The motion passed without objection.

Project #148 West Kentucky Growers Coop: Approved for \$94,977 from the Daviess County fund. Susan Harkins moved with a second from Commissioner Smith that the Board adopt the committee's recommendation. The motion passed without objection.

Approved Bull Genetics Improvement Programs:

Ms. Harkins stated that the Project Review Committee recommended board approval for the following Bull Genetics Improvement Programs. These programs are all funded from county funds:

# 21	Tri County Beef Marketing Association (Wayne)	\$ 50,000
# 32	Lincoln County Cattlemen's Association	\$ 75,000
# 73	Nicholas County Fiscal Court	\$131,250
# 91	Clinton County Cattlemen's Association	\$50,000
# 91	Cumberland County Cattlemen's Association	\$80,000
#100	Breckenridge County Cattlemen's Association	\$155,000
#111	Russell County Cattlemen's Association	\$50,000
#113	Garrard County Farm Bureau	\$50,500
#115	Allen County Cattlemen's Association	\$50,000
#155	Hart County Cattlemen's Association	\$77,200
#165	Barren County Cattlemen's Association	\$178,000
#183	Mason County Cattlemen's Association	\$50,000

Larry Clay moved with a second from Commissioner Smith that the Board adopt the committee's recommendation. The motion passed without objection.

Approved Forage Improvement Programs:

Ms. Harkins stated that the Project Review Committee recommended board approval for the following Forage Improvement Programs. These programs are all funded from county funds:

#12	Madison County Conservation District	\$23,000
#90*	Warren County Conservation District	\$40,000

\*The Natural Resources and Environmental Protection Cabinet is currently reviewing this project to assure that there are no conflicts with the Cabinet's regulations. Funding for this project is contingent on the Cabinet's approval.

Larry Clay moved with a second from Wayne Hunt that the board adopt the committee's recommendation. The motion passed without objection.

#### Projects Recommended for Further Review and/or Study:

Ms. Harkins stated that the Project Review Committee recommended that the following projects be referred for further review and/or study: #1 Hopkinsville Elevator Company, Inc.; #2 Kentucky Milk Producers Association; #3 Kentucky Horticulture Council; #17 Madison County Beef Cattle Association; #23 Central Kentucky Agriculture Development Association; #33 James Speray; #35 Northern Kentucky Area Agriculture Advancement Council (Eden Shale Farm); #43 Monroe County Conservation District; #75 Justin Dale Lovell; #88 Clinton County Meat Goat Association; #93 Kentucky Wood Products Competitiveness Corporation; #95 Mason County Conservation District; #97 Mason County Livestock Improvement Association; #98 Faron Smith (Hancock); #104 Doug Dunaway (Harrison); #105 Rural Center for Responsible Living (Cumberland); #106 Dairy Goat Products Co-Op of KY, Inc.; #107 Edmonson County Cattleman's Association; #110 Russell County Cattleman's Association; #114 Bracken County Conservation District; #116 Allen County Farm Bureau; #134 Buffalo Trace ADD; #136 Monroe County Board of Education; #147 City of Cave City; and #150 Kentucky Cattleman's Association/Kentucky Forage and Grassland Council.

Dean Smith asked that the statement "Waiting on review from UK." Be removed from the summary on Project #3.

Ms. Harkins moved with a second from Dean Smith that the board adopt the committee's recommendation. The motion passed without objection.

#### Applications Recommended for No Funding:

Ms. Harkins stated that the Project Review Committee recommended no funding for the following projects: #20 Wayne County Cabbage Growers; #99 Hancock Fiscal Court; #101 Star Tobacco Growers of Kentucky; #102 Craig Callahan; #108 Ken Staley; #109 Frankie L. Burton & Sons; #117 Donald Hix (Allen); #119 Douglas & Susan McPherson (Allen); #120 Rob Cline (Allen); #122 James & David Williams (Allen); #123 Rocky Shaw (Allen); #124 Denver Hurt (Allen); #125 Harold Walker (Allen); #127 Shockley's Paylake (Allen); #130 John Lackey (Madison); #137 David Watts & Richard Young (Lincoln); #138 Richard Young (Lincoln); #141 Jefferson Calico (Lincoln); #142 Jefferson Calico (Lincoln); and #151 Gary C. Owen.

There was discussion among ADB members regarding the letter of notification sent to applicants whose projects are recommended for no funding. ADB members asked that the letter of notification should state why projects were not funded.

Danny Case moved with a second from Susan Harkins to adopt the committee's recommendation. The motion passed without objection.

#### Applications Being Returned to the County:

Ms. Harkins stated that the Project Review Committee recommended that the following projects be returned to the county: #15 Madison County Conservation District; #118 Allen County Conservation District; #121 Allen County Conservation District; #131 Gary & Susan Evans (Calloway); #132 Bath County Commercial Vegetable Producers Co.; #133 Buffalo Trace ADD (Fleming); #139 Bill Payne (Lincoln); #140 Richard Young (Lincoln); #143 Wolfe County Conservation District; and #144 Cumberland County Conservation District.

Board members asked that the letter of notification advise applicants why the proposals were being returned to the county.

Susan Harkins moved with a second by Danny Case to adopt the committee's recommendation. The motion passed without objection.

#### Applications being returned to Applicant:

Ms. Harkins stated that the Project Review Committee recommended that the following projects be returned to the applicant: #11 Appalachian Ginseng Foundation; #96 Germantown Road Farms (Mason); and #103 K.C. Farms.

John-Mark Hack advised that project #11 Appalachian Ginseng Foundation, was incorrectly added to the table. The Board took action on this proposal last month.

Susan Harkins moved with a second from Danny Case to adopt the committee's recommendation as amended. The motion passed without objection.

#### Applications Referred:

Ms. Harkins advised that the Project Review Committee recommended that Project #145 West Central Aquaculture Co-op be referred to the Aquaculture RFP process and Project #146 Creech Services, Inc., be referred to Natural Resources.

Susan Harkins moved with a second from Dean Smith that the board adopt the committee's recommendation. The motion passed without objection.

Ms. Harkins advised that the Project Review Committee recommended that the following projects be referred to the Kentucky Center for Agricultural Development and Entrepreneurship for further development and/or research: #5 Southeast Kentucky Corn Growers Association; #9 BEPA Inc., DBA Great Farms; #18 Southeast Kentucky Corn Growers Association (Wayne); #24 CDP

Enterprises; #26 The Elements Enterprises; #27 Fiddler's Friend Feed Mill; #34 David Gabbard; #40 Monroe County Worm Growers; #82 Kentucky Center for Cooperative Development; #85 Appalachian Fresh Food Processors, Inc.; #86 Mid South Pork; #89 Southeast Kentucky Corn Growers (Clinton); #112 John Barrick (Barren); and #149 Southeast Kentucky Corn Growers Association (Cumberland).

Dean Smith expressed concern that Project #82 Kentucky Center for Cooperative Development is mandated by HB611 but had not been funded.

The Project Review Committee voiced concerns regarding the level of funding requested, the number of personnel requested in the project proposal, and that a large percentage of the requested funding would go toward paying the salaries of the Center's personnel.

Gordon Duke, Hampton 'Hoppy' Henton, representatives from the Kentucky Department of Agriculture and the University of Kentucky have met and continue to work toward resolving the issues.

'Hoppy' Henton advised that he would report on the progress of every project referred to the Center for Agricultural Development and Entrepreneurship at the meetings of the Project Review Committee and the Agricultural Development Board.

Danny Case moved with a second from Mike Slaughter that the board adopt the committee's recommendations. The motion passed without objection.

### **Project Review Committee:**

John-Mark Hack called the members' attention to a document entitled "Project Review Committee." Mr. Hack suggested that an effort should be made to spread the tremendous workload of the project review committee more evenly between all non-statutory members. He stated that this document was presented for Board consideration only and recognized that there are many other avenues that could be explored.

The document suggests that the ADB consider adopting a rotating schedule for the membership of the committee and increase the size of the committee to six members. Each month two board members would change allowing each member to get a break at the end of each quarter of service on the project review committee.

Various other options were discussed, such as: appoint all non-statutory members to the project review committee; create more than one project review committee; keep the core committee in tact and rotate others on and off the

committee; and team two people together and allow them to split the workload of the committee between them.

Some members advised that they were concerned that rotating members on and off the committee may present a problem with tracking the projects.

ADB members will give the issue consideration and discuss other ideas at the May meeting.

### **Vacant Board Position:**

Director Hack advised that staff is aggressively seeking to fill the vacancy created by Keith Jeffries' resignation. He stated that he was meeting with two individuals and hoped to have the vacant position filled soon.

### **County Plan Review Committee Report:**

Danny Case presented the County Plan Review Committee Report. He advised that the committee met on April 17, and discussed 17 revised county plans received in time for distribution in advance of the committee meeting.

Mr. Case advised that the County Plan Review Committee recommended approval of the following County Comprehensive Plans: Clinton\*; Cumberland; Daviess\*; Fleming; Fulton; Hart; Henry; Lincoln; Logan; Monroe; Montgomery; Owsley; Pulaski; Russell; Scott; Shelby; and Taylor.

\*Approval is contingent upon the counties' adoption of the 50% match requirement established in the state Board's Agricultural Development Fund administrative Guidelines.

Mr. Case moved with a second from Wayne Hunt to adopt the committee's recommendation. The motion passed without objection.

### **Communication Issues & Revised County Comprehensive Plans:**

Dean Smith advised that he had received a letter from Steve Smith, Trimble County Agricultural Development Council and Community Farm Alliance member. In his letter Mr. Smith expressed concern that the Agricultural Development Board had not communicated specifically what revisions County Councils were expected to make to their County Comprehensive Plans.

There was discussion and Dean Smith moved that "The Agricultural Development Board resolves to make every reasonable effort to facilitate approval of County Comprehensive Plans, minimize unreasonable barriers and enhance communication with County Councils regarding the plans. The Agricultural Development Board recognizes and applauds the tremendous effort



already made by County Agricultural Development Councils and commits to support their efforts.” There was a second from Willa Poynter. The motion passed by voice vote.

Mr. Hack reminded members that 17 Revised County Agricultural Development Comprehensive Plans had been received and approved by the Agricultural Development Board. He further advised that staff is planning regional informational sessions and will invite all county council members.

### **Additional Concerns:**

Carla Gerding, member of the Henry County Agricultural Development Council and Community Farm Alliance expressed concern that the administration of the County Agricultural Development Fund placed too much of a burden on the County Councils and that the State Board should accept responsibility of the administration of county programs.

### **Kentucky Center for Agricultural Development and Entrepreneurship:**

Hampton Henton, Center Director introduced the newly appointed members of his staff: Devon Hankins, Strategic Marketing Consultant; William B. McCloskey, Financial Management Consultant; Rhodes Johnston, Business Systems Consultant; Sandra Gardner, Educational Coordinator; and Edith Fultz, Administrative Assistant.

Mr. Henton discussed the Center's business plan and the need for an advisory board. He will begin developing the advisory board and will submit a list of names to the ADB for approval.

### **Kentucky Department of Agriculture:**

Commissioner Billy Ray Smith briefed members on the state and national situation regarding the Hoof and Mouth Disease. He advised members that the department is working with officials from state and federal agencies to develop a statewide comprehensive plan for preventing/handling disasters.

Commissioner Smith discussed the 2002 Farm Bill and his role as President-elect of the National Association of State Departments of Agriculture in defining recommendations for inclusion in the Farm Bill. Commissioner Smith will be providing national leadership on this important piece of legislation.

### **Next Meeting:**

The next meeting of the Agricultural Development Board will be held on Friday, May 18<sup>th</sup>, on the campus of the Northern Kentucky University.

Being no further business, the meeting adjourned at 2:35.